

From: Robert Wunderle
Sent: Friday, July 24, 2009
Subject: "Notice 2009-60"

The problem of unregulated preparers is a multifaceted issue with no one solution. For the most part, our clients are low income, Spanish speaking immigrants. They almost never prepare their own returns. Most go to someone whom they pay to have their tax returns prepared. We have seen returns prepared by enrolled agents and CPAs and all of the national tax prep firms with filing status, dependent claim, child tax credit and other errors because the preparers did not know the code with respect to individuals who didn't have TINs and with respect to taxpayers whose spouse and/or dependents did not live in the U.S. We have also seen returns prepared by individual paid preparers who are fluent in Spanish. They set up shop somewhere or work from their homes. Some of these preparers sign the returns they prepare, but many do not. The returns they prepare often show reckless disregard for the code or are outright fraudulent. We had one client, who on the advice of such a preparer who did not sign the return, paid the preparer \$1,000 for the use of two social security cards of minor children who were total strangers to him. Another married couple sat in the preparer's office and was told: As far as the IRS is concerned, you (the wife) do not exist. This was in spite of the fact that the wife already had an ITIN and the preparer knew it. In yet another instance, a national firm's local manager (not Spanish speaking) offered to use the SSN of an taxpayer's child for another client's tax return, and would pay the ITIN holding taxpayer couple for that use.

As a Circular 230 preparer, one of the biggest frustrations I have is the fact that the vast majority of preparers are not subject to Circular 230. One alternative to the concepts of registration, certification testing and/or licensing currently unenrolled preparers would make all preparers subject to Circular 230's ethical constraints. This could even extend to volunteer preparers. Being held to an ethical standard shouldn't concern honest tax preparers who want to do a good job for their clients. Several times each year, I am on the phone and/or faxing information to the IRS, and to the nearest CID office when I become aware of preparers who are either grossly incompetent or deliberately preparing returns that recklessly disregard the code or are outright fraudulent. Doing so is frustrating because one never seems to find out what, if any, action has been taken. It is rare for my client to give me permission to disclose their identity to the IRS. I believe that there are two reasons for this-their own fear of the government and a their unwillingness to get anyone, especially a fellow Latino, in trouble with the government. Even though my client has been harmed, he or she does not want to cause trouble for the perpetrator. Perhaps it because they view the perpetrator as someone like themselves-- an immigrant just trying to survive. Find a way to give whistleblowers some kind of feedback when they report a potential problem. Give us something to offer taxpayers who have filed returns that are in reckless disregard or are fraudulent in return for their cooperation in identifying the problematic preparer. More than registration-those who don't sign returns now won't register or comply anyway-is a need for enforcement and better feedback to those of us who learn about and report these problem preparers. Enforcement needs to be highly publicized and with real sanctions. A few years ago, a local Latino preparer pled guilty to 17 counts of preparing fraudulent returns. He served 15 months and was barred for preparing returns for one year after his release. In the meantime, his wife continued to prepare tax returns from their home, told me that her husband only did what the clients told him to do, and went back to preparing returns as soon as he was released from federal custody. However, neither he nor his wife sign the returns today. They are still often prepared improperly. Other preparers of which we are aware remain out there, year after year, preparing improper returns, and despite bringing them to the Service's attention, they continue. If anything is being done, we are not aware of it and we are not seeing their clients being audited by the local IRS campus-the only method we now have of deducing that a local preparer is under investigation. Neither licensing nor registering non-circular 230 tax preparers will resolve any of the problems we see. In my opinion, the opposition I see from my professional colleagues to the licensing/registration proposal is that registration or licensing will give an imprimatur to those who are not attorneys, CPAs or enrolled agents that will reduce or eliminate in the minds of most tax clients, the benefit of using a professionally credentialed tax

preparer. Having said all this, it makes sense to register all paid preparers. Prohibit preparers from advertising or promoting themselves as an IRS registered preparer. A certification test may not be an unreasonable approach, but the enrolled agent exam already exists. Thus, any new certification procedure would both compete with the EA exam process and would make the decision making process taxpayers go through in choosing a preparer more complex. Might it not be better to register all preparers and firms? Require paid preparers to have PTINs, all firms to have branch office identifiable designators just the way IRS VRPP sites has SIDNs. Require all on-line filing programs to identify the originating computer or phone line from which the return is being filed and require all programs such as TurboTax and TaxCut to include a unique code in each return prepared. Most of the illegal activity we see is accomplish using these two software packages or on-line filing. Some way to identify the source when multiple returns are filed using a software package licensed for one return would help the Service identify potential PAID preparer who don't sign returns and often intentionally prepare noncompliant ones. Digital Rights Management (DRM) technology (or something like it) currently used to limit the ability of those who purchase DVDs to use them on multiple devices or transform them, might be adapted for this purpose. These steps would help identify preparers who are not signing returns and the specific sources of bad returns.

Undercover enforcement done just the way Treasury IG and IRS shoppers have been checking on volunteer sites and the way a national foundation recently checked on some paid preparers is also necessary. Enough shoppers at a single preparer to give probable cause for a search warrant and computer seizure would be an extremely effective deterrent, if high publicized. Right now, many unscrupulous preparers have a catch me if you can attitude, knowing the likelihood of being caught is very, very small. Regret not having the time to better organize my thoughts. Hope some of this is useful. Contact me if anything is not clear or if you have questions.

The text above was previously submitted via email to 'return.preparer.review@irs.gov'

Robert W. Wunderle, Director
La Posada Tax Clinic

From: Gregory Jamieson
Sent: Monday, July 27, 2009
Subject: "Notice 2009-60"

I am a tax preparer who is not a CPA, attorney or enrolled agent. I prepare about 40 individual and 20 other entity returns annually. I have a very good understanding of 990 returns and prepare about 10 each year. I prepare my returns accurately and would challenge anyone to find errors. If I do not know the answer I find out or I do not prepare the return. I believe that most preparers do this and there are a few preparers that are causing this "problem". I have seen numerous returns prepared by CPAs and other similar preparers that were incorrect. I am concerned that this is driven by the CPAs that want the business that preparers such as me already do. I am extremely competent in the returns I prepare and use the same software many CPAs use (ProSeries). We generally charge less and I can see how CPAs would want to drive us out of business. In the end the consumer would lose because they would pay more for the same service. I would be driven out of business so CPAs could make more money. I am willing to take some courses or some certification, but to become an enrolled agent or CPA would cause an undo burden on my business. There could be a certification or exemption for preparers that do less than 100 returns per year. The answer should be to weed out the preparers that do not know what they are doing and not penalize business people like me.

Thank you
Gregory Jamieson
Accounting Services

Rafaela Castellanos
Tax Compliance Officer

July 27, 2009

RE: Standards for all Tax Preparers

In my daily routine, I have the opportunity to audit a number of returns. I get expose to the tactics preparers use to lure their clients. Some preparers don't have the knowledge or certification to preparer returns. Our job is to make sure the tax payers are in compliance, and the returns are filed correct. Taxpayers relay on the expertises of the preparers, and preparers depend on some kind of tax preparation software to submit the returns.

In efforts of preventing return preparer's scheme; a series of proposals to boost tax preparer performance standards may need to be implemented:

1. Preparers must be licensed to prepare returns in the same way other professionals do.
2. Obtaining a license to preparer tax returns MUST BE A PRIVILEGE.
3. In order to prepare returns; preparers must be recertified every tax period.
4. Preparers must be evaluated, trained and educated.
5. Enforcement standards for preparers maybe increased.
6. Tax preparers and taxpayers relay on the tax preparation software. Software developers need to improve their tax preparation systems. The majority of the returns are prepared by Turbo Tax or other tax preparation programs; some mislead information and confuses the taxpayers.
7. A preparer's return stakeholders unit must be assigned to, educate, enforce and promote the good environment of the tax return preparation industry.
8. The publishing of media releases regarding misconduct of the preparers and suspension of preparer's maybe posted on the website on a regular basis. In the last four years, I noticed a dramatic increase of tax preparer's schemes.

Rafaela Castellanos
Senior Tax Compliance Officer

From: jeffrey rosan
Sent: Monday, July 27, 2009
Subject: Notice 2009-60

My belief is that if EA info was posted on IRS website (name address status), for sure you would have better compliance from EA's.

Jeffrey Scott Rosan JD
Enrolled Agent

From: MARILYN DESMOND
Sent: Monday July 27, 2009
Subject: Notice 2009-60

Dear Sirs:

As a tax preparer for over 15 years for about fifty clients, I am deeply concerned regarding the requirements for education relative to simple returns. Since I do not prepare extensive, difficult returns and use due diligence and investigative techniques in every case, as well as attending NTSP and other seminars, will I have to acquire the same knowledge as large companies who do more extensive returns?

Thank You
Marilyn Desmond

From: Glenn A. Scharf
Sent: Monday, July 27, 2009
Subject: Notice 2009-60

... What types of individuals, entities, and professionals currently work as tax return preparers? How are their services currently monitored or regulated by professional organizations or the government, and how could this monitoring and regulation be improved? There is no regulations for unenrolled preparers. There should be a higher standard here for non CPA's. Any preparer signing a return should be a qualified preparer. A lot of preparers are not qualified to prepare tax returns (especially business returns) Is there a minimum level of education and training necessary to provide tax return preparation services? If so, who should be responsible for ensuring that preparers meet this minimum level and how should that be done? There absolutely should be a minimum level of education. Many preparers have not finished college or even high school. In order to sign and prepare a return there should be a minimum education level and continuing education as tax laws change every year. The states should require this as part of the registration and regulation... Should tax return preparers be subject to a code of ethics, and, if so, what specific behavior should that code promote or prohibit? How would that code of ethics interact with existing ethical standards that may already be applicable? Yes they should have a code of ethics. They should have to maintain the same ethical standards as CPA's.

... What, if any, responsibility should firms or businesses have for tax return preparers they employ? And what, if any, responsibility should tax return preparer professional organizations have for the education, training, and conduct of their members? If preparers are hiring individuals to prepare returns with no oversight then the hired preparers should have the same requirements as an enrolled preparer.... If tax return preparation services should be regulated, what, if any, special regulatory provisions should be made for individuals who are already tax return preparers, licensed attorneys, certified public accountants, enrolled agents, or software providers? The only regulations should be for Non-CPA's. They should be held to a much higher standard... What, if any, additional legislative, regulatory, or administrative rules should IRS consider recommending as part of its proposals for tax return preparers? Get rid of Refund Anticipation Loans. This is equivalent to Loan Sharking as many people end up paying more in interest and fees than they would taking out a normal loan. Most of the people who take the loans do not understand what they are getting in to.

Glenn Scharf, CPA
Shareholder
Saltmarsh, Cleaveland & Gund
Certified Public Accountants and Consultants

From: Nancy Howard
Sent: Monday, July 27, 2009
Subject: Notice 2009-60

I am in favor of registering all tax preparers. And Tax update classes should be mandatory. I have done taxes for almost 25 years. I am not in favor of testing me. I am 72 years old. Do not need the stress of a test in my life. Every year I have gone to a minimum of 5 days of tax classes, which I enjoy. The classes keep me current along with my many subscriptions to tax literature. If you insist on testing, is there any way to grandfather those of us who have prepared returns meticulously, have followed the tax laws to the best of our ability and have had none or very little audit interaction or other problems with IRS? Just punish the "bad" guys. Do not punish the rest of us because of a few, please.

Thanking you in advance for your consideration.
Nancy Howard
Tax Preparer

From: Bob Christensen
Sent: Monday, July 27, 2009
Subject: Notice 2009-60

I want to know why if you have a Accounting degree {not a CPA} you would not be exempt like CPA's, Enrolled agents and lawyers. How can you exempt lawyers {other than congress is mostly lawyers} I know a number of lawyers who know nothing in regard to Income taxes.

Bob Christensen

From: John Carte
Sent: Tuesday, July 28, 2009
Subject: Notice 2009-60

I believe all paid tax preparers should be required to have a minimum 16 hours of a tax update course that is approved by the AICPA or other governing board such as the IRS itself. Also, every paid preparer should be registered with the IRS and submit documentation of the completed course unless the preparer is already regulated by a professional standards board that is pre-approved by the IRS...

I believe if the standard is raised for all, then all of us will see improved tax collection, decreased deficits and a future for our children ...

Thanks for your time,
John Carte, CPA
Carte Hall, Professional L.L.C.

From: Roy Singh
Sent: Tuesday, July 28, 2009
Subject: Notice 2009-60

- 1. How will the rule be enforced.*
- 2. My have a minimum of A College Degree.*
- 3. Continuing Education.*
- 4. Have Federal Identification-Must be registered with Federal Body.*

Roy Singh

From: Patrice Prettyman-Atkinson
Sent: Wednesday, July 29, 2009
Subject: Notice 2009-60

I am very pleased the IRS is seriously considering this issue. As a CPA, I am all too aware of the public's attitude that having those three initials behind one's name automatically qualifies you to do tax returns. Let me emphatically state that it does not! The only formal training I ever had on taxes, was a one semester survey class and whatever was covered in my CPA exam review over 15 years ago. Anything else I know I picked up on my own in order to do my own taxes. My comments are from the perspective of a CPA with over 20 years of experience. Thank you again for seriously considering this issue.

Patrice Prettyman-Atkinson, CPA
Golden Valley, MN

- Is there a minimum level of education and training necessary to provide tax return preparation services? If so, who should be responsible for ensuring that a tax return preparer meets this minimum level and how should that be done?

The IRS should set standards for education and continuing education for tax return preparers. The actual training could be outsourced with high standards for the providers. I would not give a pass to CPAs.

- What, if any, service and outreach should be provided to tax return preparers and taxpayers? Who should provide (and bear the costs for) these needed services?

Based on the educational and licensing standards, the IRS could provide outreach but it would likely be better outsourced. The individual and/or their employer should bear the cost as for a CPA, etc.

- Should tax return preparers be subject to a code of ethics, and, if so, what specific behavior should that code promote or prohibit? How would that code of ethics interact with existing ethical standards that may already be applicable?

Yes they should be. They need to be conservative in judgment when applying tax code in their clients favor. They need to be honest and have integrity. They need to tell clients they will not violate the tax laws for them and will report the client to the IRS if they have reasonable suspicion the client is cheating. They need to report colleagues and other preparers for cheating.

- What, if any, responsibility should the firms or businesses that employ tax return preparers have for the conduct of the individuals they employ?

Employers should have the same responsibility that CPA firm partners or other employers have for their employees.

- What, if any, responsibility should tax return preparer professional organizations have for the education, training and conduct of their members?

Tax return preparer professional organizations will likely offer education and training as they currently do for CPAs, etc. If not there will likely be good third-party options. As for conduct, the organizations have no responsibility. Members should be responsible for their own conduct. The organizations have the option of sanctioning or expelling members who break the law or the professional code of ethics.

- If tax return preparation services should be regulated, what, if any, special regulatory provisions should be made for individuals who are already tax return preparers, licensed attorneys, CPAs, enrolled agents, or software providers?

If they have no recent specific training related to current tax law, they should have to take any exam or training deemed necessary for the profession in order to continue a tax practice. Enrolled Agents should be automatically approved to practice. CPAs should not unless they meet education training requirements. Software providers must have staff or consultants who are certified under the new rules. Do not automatically give CPAs a pass on this.

From: Frank Lin
Sent: Wednesday, July 29, 2009
Subject: Notice 2009-60

Hello, my name is Frank Lin and I am currently an Enrolled Agent (#90572) working in Queens, New York City as a Tax return preparer. One of my main concerns is with the abundant amount of unlicensed tax return preparers calling themselves CPA's or licensed accountants filing unsuspecting clients' tax returns just to make a quick buck. This problem not only takes a huge amount of business away from our legitimate business but it also makes it hard for us to explain to our clients the reasons they have to pay taxes. Some of them complain to us saying the person down the block could always get them hundreds and hundreds in refund while we show taxes owed. Also, every time a letter from the IRS comes asking for penalties or back taxes owed, the clients assume I did something wrong. Is there a way to enforce (with stricter penalties) the unlicensed tax return preparers or at least make them complete CPE credits so they could exercise a similar level of due diligence when preparing tax returns?

Thank you for your time and patience with this matter.

Sincerely,
Frank Lin

From: Canton Bookkeeping
Sent: Wednesday, July 29, 2009
Subject: preparer regulations

If testing is required, I think it should be on every one signing the return including attorneys, enrolled agents, tax preparers, everyone. I've seen and corrected returns prepared by attorneys that are 10 times more erroneous than a non licensed preparer; therefore, I am for testing everyone.

From: Rich Geever
Sent: July 29, 2009
Subject: Notice 2009-60

Internal Revenue Service Counsel
US Treasury Department
Date - July 29, 2009

Re: Public Comment for Proposals to Boast Tax Preparer Performance Standards

I have been a Circular 230 Tax Practitioner since 1978 (CPA License in Pennsylvania and Florida - pending in Maryland) .

In those 31-years of Public Accounting I have witnessed a accelerated breakdown of Taxpayer willingness to comply with the standards of Professional Practice, that is, what I will call "Preparer Shopping" especially in the Small Business Community.

Abuse and non-compliance - are aided and abetted by unregulated tax return preparers, willing to prepare false returns for a fee. This undermines the competing licensed Tax Practitioner. Since Audits are rare, the odds of the false return are greatly in favor of it going undetected. Worse, since the Service is underfunded to hire and train more Agents; noncompliance among the unenrolled is a flourishing and lucrative business. Where there are no visible police on the highway - the vast majority of drivers speed, the same applies to tax compliance. In my view, one should not be able to offer to the public "Tax Preparation Services" without having a minimum of an Enrolled Agents License. If you want your taxes prepared you must go to a EA a CPA or an Attorney. Every Tax Office - offering Preparation Services - must have a Licensed Practitioner acting as the "Principal Preparer" responsible for the quality of the work coming out of that office. This potential Loop-Hole must be addressed, do not let one Licensee "manage of staff of thousands" - make each Licensee directly responsible for the returns they sign - under the penalties of Circular 230. Where you enact elevated professional standards, the universities and colleges will eagerly respond with plenty of students willing to learn, work hard and prosper will appear. So yes, we all know the Federal Licensure is long over due, so elevate the professional standards, and do it all the way not with a half measure of some made up License of "Tax Preparer" - make it an EA a CPA or an Attorney. Further, avoid any "grandfather provision" - just because an unenrolled preparer has been doing sub-standard work for a long time does not qualify them to continue to do so. Lastly, include Licensure for firms offering to the Public "Tax Resolution Services" the so called solve your Tax Debts for Pennies on the Dollar. This area of abuse has a long and sordid history. The vast majority of those offering - tax resolution - have no training in Representation what so ever, they have never read any part of the Internal Revenue Manual or the Internal Revenue Code. Elevate the professional standards, where a Taxpayer directly communicates with one offering Tax Resolution Advice for fee (payment) the one rendering the advice must be Licensed. That standard will eliminate the TV advertisers who hire hundreds under the umbrella of far to few Licensees. Tax Resolutions Firms should be required to under annual Peer Reviews.

Sincerely,
Richard E. Geever
Certified Public Accountant

From: wjmcknight
Sent: Wednesday, July 29, 2009
Subject: Tax preparer Performance Standards

IRS Council:

California has a program for tax preparers that require each tax preparer to complete 60 hours of education in federal and state tax law (excluding CPA, EAs, and attorneys). Upon being registered with the California Tax Education Council, continuing education of 20 hours annually is required to maintain registration. Oregon requires their tax preparers to complete 30 hours annually. IRS requires Enrolled Agents to complete 72 hours over a 36 month period and also include 2 hours of ethics each year. The new guidelines for tax preparers should include continuing education similar to CPAs and EAs being required to complete continuing education to maintain their license.

Sincerely, W.J. McKnight

Sent: Wednesday, July 29, 2009
Subject: tax preparer public forum

I will not be able to attend the Public Forum on July 30th. However, I wish to attach a letter that I have been sending to members of congress urging them to change the filing requirements to the First Time Home Buyers credit.

The letter is included as an attachment and the content is also printed below.
I would greatly appreciate it if this letter could be presented to someone at the Forum who has the power to pursue this matter.
Thank you for your attention in this matter
JOSEPH K. NOFIL, C.P.A.

July 20, 2009

Dear Congressman:

I am a certified public accountant in South Florida and I'm writing regarding a tax issue which, if not addressed will cost the government millions of dollars due to fraud!!!

I operate a high volume tax practice which caters to mostly low income individuals. The issue involves the first time home buyers credit which allows first time home buyers a credit of 10% of the purchase price of the home up to \$8,000. The problem is that many people are hearing about this credit and thinking that everyone is entitled to an extra \$8,000 check from the government, just like the stimulus checks that were given out in 2008. I personally have received over 100 calls from taxpayers who believe that this is the case. Each time I've explained to them how the credit really works. Now here is where the problem arises because over half of the people who I've explained this to have replied, "I know someone who received the \$8,000 and they didn't buy a house." Some people have even told me that they intend to go a tax preparer who will file a fraudulent return in order to get this \$8,000. Currently the only filing requirement to receive this credit is to file Form 5405 stating an address and a purchase price. No proof of purchase is required! This problem can be solved by immediately requiring anyone who claims this credit to include a copy of their closing statement with their tax return. It's that simple! I have talked to workers at my local IRS office about this but I have not received an acceptable reply. I am a registered independent voter although I generally vote Democrat. I am first sending this letter to all Democratic congressmen and senators in hopes that someone can fix this simple problem and understand that if millions of dollars are lost due to fraudulent returns it will be a major embarrassment to the Obama administration, similar to the financial misappropriations by FEMA during the Bush administration. If by September 1st the problem is not solved I will then contact all Republican congressmen as well as right wing media outlets to see if they can pressure the IRS to make this one simple change. My ultimate concern is that I as an honest tax preparer will lose money and business to dishonest tax preparers. I will be more than happy to discuss this matter directly with you or a member of your staff. I thank you for your attention in this matter.

Sincerely,
Joseph K. Nofil
Certified Public Accountant

Sent: Wednesday, July 29, 2009
Subject: Tax Preparer Regulation - Notice 2009-60

INTERNAL REVENUE SERVICE
P.o. BOX 7604
WASHINGTON, D.C. 20044

Re: Tax Preparer Regulation - Notice 2009-60

I have been preparing income tax returns since 1981. I have a successful business with clients I have retained since 1981 and feel my record should speak for itself. Just because a preparer is licensed or knowledgeable enough to pass a test, does not mean they are ethical. I feel those of us who have been preparing returns for many years should fall under a grandfather rule. If not, you may find you will lose many experienced preparers who are nearing retirement age - preparers who provide a valuable service to clients who don't require a CPA and wouldn't pay the fees they charge. I find it interesting this problem has escalated in the past several years and speaks much about the workforce today. I take pride in my work, in my business and in the reputation I have established in my community. This is what is missing today and no amount of testing or licensing will take the place of that.

Sincerely,
BURKHARDT TAX SERVICE
linda Bavender
Owner

From: Allen Ryea
Sent: Wednesday, July 29, 2009
Subject: Notice 2009-60

CCPA:LPD:PR
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Dear IRS:

Thank you for the opportunity to comment on conduct standards for tax return preparers under Notice 2009-60. I am a sole practitioner/CPA with more than 25 years experience owning and operating my own tax practice. As a tax practitioner who has worked very hard and for a very long time and at substantial cost to uphold the ethical standards that attracted me to the accounting field in the first place I know the difficulties of operating an ethical practice in what amounts to an unregulated market place (IRS rules of conduct notwithstanding. I have observed first hand the poor work product being issued on a wide scale by all manner of return preparers. Our system's failure to insure return preparers have more at stake when preparing a client's tax return provides taxpayers with ample opportunity for easy, often unquestioned, noncompliance. (IRS audit levels and audit competence are significant contributors to the noncompliance problem, especially in the area of small and medium sized businesses.) Further the knowledge needed to competently address the many issues that surround virtually any tax return today is substantial. Return preparers need to insure and understand a litany of laws, rules, regulations, and form instructions as they apply to a given client's circumstances. Preparers also need a more comprehensive understanding of clients' transactional fact patterns. In my experience many returns preparers lack the appropriate resources, training and experience to properly handle a wide range of everyday tax issues. Even with a CPA license, an MBA and 25 years of diligent attention to detail, tax return preparation continues to be a great challenge. There simply is no way substantial compliance can be obtained within the tax preparation industry in the absence of a licensing and review procedure to insure return preparers are and remain reasonably competent. To more directly address the recommendations requested in new return preparer initiative I respectfully submit the following:

- a. No third party may prepare an income tax return (990, 1040, 1041, 1065, 1120, 1120-S) unless that person has passed an exam roughly equivalent to the enrolled agent exam or is under the direct supervision of one who has passed such exam. No third party may sign an income tax return unless the have passed such an exam. To insure consistency in licensing and to minimize implementation delay I believe the federal government, not state agencies, should be responsible for this licensing program. As indicated, unlicensed help may be employed but it should be quite clear that the licensed person signing the return has ultimate responsibility as the return preparer.
- b. Existing attorneys, CPA's, PA's and enrolled agents should be grandfathered. New attorneys and CPA's should be exempt from the separate exam requirement but a minimum number of hours of formal tax course instruction should be required. A minimum number of hours of continuing tax course instructions should be required on an annual basis.
- c. The IRS should initiate a compliance review program targeting return preparers. That is standards need to be developed for randomly selecting a group of returns produced by a single preparer for review (perhaps leading to audit) with the goal of identifying areas of recurring preparer/taxpayer noncompliance. By harnessing additional enforcement resources and directing those resources towards review of return preparers, rather than on specific client returns, a higher level of both taxpayer and preparer compliance should be achievable in a relatively short period of time.

d. Make mandatory the completion of Schedule L "Balance Sheet per Books" on Forms 1120, 1120-S and 1065. Far too many errors, many of them material, result from turning a blind eye to maintaining the integrity of the basic accounting equation. The errors often have significant consequences in later years when balance sheet items are ignored or subject to "best guess" treatment.

Please accept my thanks once again for the opportunity to comment.

Sincerely,
Allen Ryea, MBA, CPA

From: Dee
Sent: Thursday, July 30, 2009
Subject: tax prepares

I feel each tax preparer needs to be registered. If a preparer doesn't want to put forth the effort to become a CPA or an EA, then he should at least be willing to take some type of small test demonstrating his willingness and ability to prepare tax returns. The taxpayer will not only benefit from a return done correctly, but also the IRS. Registration has been talked about for years, it is time that it be done.

Deneen Ladd, EA, CFE
Staff of Julia B. Ecker, Inc. CPA

IRS Circular 230 Disclaimer. In accordance with IRS Circular 230, the content of this e-mail is not to be relied upon for the preparation of a tax return or to avoid tax penalties imposed by the Internal Revenue Code. If you desire a formal opinion on a particular tax matter for the purpose of avoiding the imposition of any penalties, please contact us to discuss the further Treasury requirements that must be met and whether it is possible to meet those requirements under the circumstances, as well as the anticipated time and additional fees involved. Confidentiality Notice. The information in this e-mail and any attachments is confidential and may be privileged or protected by other rules, including but not limited to the Electronic Communications Privacy Act, 18 U.S.C. SS 2510-2521.

From: WfAXSER
Sent: Thursday, July 30, 2009
Subject: Tax Preparer Registration

As an enrolled agent I believe that anyone who signs a tax return as the paid preparer should be registered and subject to examination and oversight. A background exam should be conducted to include FBI records check and IRS review of the preparer's own tax returns. An initial competence exam should be administered and subsequent CPE required. Since the registration would not include taxpayer representation, the scope of knowledge and level of competence should be lower than that required for enrolled agents.

Charles T Weaver,
EA

From:
Sent: Thursday, July 30, 2009
Subject: Notice Comments Tax Preparer Registration

Hello,

Thank *you* for the opportunity to provide comment on preparer registration. I have been a preparer for 20 years. In those years, I have seen a variety of substandard tax preparation work. The vast majority of substandard work was done at the hands of unlicensed/unregistered preparers. However, CPAs already have a significant educational requirement to remain licensed at the state level. A part of that requirement includes a course on ethics. For the federal government to spend additional dollars to monitor registration of CPAs who prepare tax returns would be duplicating the expense currently borne by the state licensing process. Therefore, while I agree that some evidence of competency and compliance should be monitored in the tax preparation field, CPAs should be exempt from any registration requirement.

Regards,
John F Coffey, CPA

From: Lorelei Schwartz
Sent: Thursday, July 30, 2009
To: Notice Comments
Subject: Tax preparer registration comments

Sirs:

I am in favor of tax preparer registration and / or regulation in some form.

I do not have a solution for registering tax preparers. I believe tax preparers should have to pass some form of test. I don't know if the EA exam is too comprehensive for some preparers - especially those who do not plan to prepare partnerships, corporations and / or tax exempt entities. I also think the IRS should have some sort of regulation over what "tax preparation" classes are teaching. Either they are not teaching their preparers properly or their preparers are not learning the information because we have seen a lot of errors coming out of some of those preparers. It's not just limited to the big tax preparation firms, we see these errors coming out of accountants who just do a few returns on the side or accountants who are not proficient with tax. I believe tax preparers should be required to complete a certain number of continuing education credits per year in their respective fields. It is extremely frustrating to convince my clients they are not qualified for the earned income credit when "big box" tax store down the street is slapping it on the returns without asking the right questions. I believe the IRS could close the tax gap considerably by registering and / or regulating tax preparers in some form or fashion.

Lorelei Riley Schwartz, CPA
Schwartz & LeCure, LLC

From: Mark W Feucht
Sent: Thursday, July 30, 2009
Subject: Tax Preparer Regulation

Dear IRS:

As an EA, I am in favor of minimum education requirements for all tax preparers including attorneys, CPA's and EA's. As an EA, I am already required to satisfy a minimum of 40 hours every 2 years. Thus, anyone with a designation that already has to meet requirements should be exempt from additional rules. I have (10) employees who are not EA's and I require them to complete a minimum of 16 hours of tax training each year in order to keep employment. This would seem to be an appropriate number for an employee of a tax firm since they are going to have additional training through the tax season from their peers and associates. However, I believe a one person shop would need much more than 16 hours of education to be competent in the tax field.

Sincerely,
Mark W. Feucht, CFP®, EA

From: Emeagwai, Austin
Sent: Thursday, July 30, 2009
Subject: Tax Preparer Regulation Urgently Needed

Barbers and Beauticians need license to cut and perm hair. Electricians and plumbers need license to perform services. Tax preparers are not regulated by any federal agency. Alabama is trying to join Maryland, Oregon and California as the only states to regulate tax preparers (Birmingham News, 2009). The Tax Preparation business is one of the most important industry with it activities directly tied to the U.S. treasury. The Internal Revenue Service recently announced its first successful prosecution related to fraud involving the first-time homebuyer credit and warned taxpayers to beware of this type of scheme. "On Thursday July 23, 2009, a Jacksonville, Fla. tax preparer, James Otto Price III, pled guilty to falsely claiming the first-time homebuyer credit on a client's federal tax return. Price faces the possibility of up to three years in jail, a fine of as much as \$250,000, or both (IRS, 2009)." Dishonest tax preparers cost the U.S. treasury hundreds of millions of dollars in preparer fraud and schemes. Tax preparers need to have a minimum education, be registered with an agency, and be required to obtain continuing education including ethics. Without regulation and oversight, the tax preparation industry will continue to attract fraudulent preparers.

Austin Emeagwai, CPA, Ph.D.
Associate Professor of Accounting & Director,
Center for Entrepreneurship
LeMoyne-Owen

From: Croff, Scott
Sent: Thursday, July 30, 2009
Subject: Tax preparer review by IRS (Notice 2009-60)

Dear Commissioner:

In response to the public comment request regarding the IRS's review of tax preparers, I would like to respectfully submit the following comments:

- As a CPA, we are already subject to various Codes of Professional Ethics, both by the State licensing boards and by the IRS's own rules and regulations. I am certain that Enrolled Agents and Attorneys are also subject to some kind of Ethical Code of Conduct. By establishing additional rules and regulations for these "professional" tax preparers would be redundant and a waste of the tax payers money.
- It has long been said that the IRS will eventually want the professional tax preparer to become the first line of enforcement and the watchdog for tax compliance. It sounds like the review that you are about to undertake may be the first step in making this a reality, which I am absolutely opposed to. This will only serve to create an environment of mistrust by the public with their "trusted advisors", something that we as CPA's take very seriously. This trust is something that will take decades to reestablish if it were ever compromised.
- Lastly, I do not want to be subjected to rules and regulations that will have me doing the job of an IRS employee that is being paid by the US Government to perform their duties and responsibilities. I am not an employee of the IRS, and should not be subjected to additional rules and regulations that will put me in the position of being a quasi-IRS employee, whether it is a perception or a reality.

Thank you for your attention and allowing me the ability to submit these comments.

Sincerely,
Scott
Scott A. Croff, CPA· Sr. Man

From: Marilyn McBride
Sent: Thursday, July 30, 2009
Subject: Tax Preparer specifications and regulations BRANCH ATIONS

What is the new law in regards to Tax preparers that are not enrolled agents or cpa's in regards to testing and training by the IRS. When will that law go into effect??

Lisa Caron
McBride & Caron Accounting, Inc.

From: Marge Powell
Sent: Thursday July 30 2009
Subject: Tax Preparers

I agree with the PTIN # being used to ID a paid tax preparer. I personally have been using mine on all returns prepared by me for a lot of years now. I do not have a CPA degree but I feel that I do a better job for my clients than some CPA's do. Just because these people have a degree does not automatically mean that they keep up with the changes in the tax law. I have seen a lot of returns done by both CPA's and lawyers that were horrible. It is so hard to believe that they even try to do returns. I am a one person tax preparer and bookkeeper. I have had my own business for 31 tax seasons. I have a nice clientele that mostly have come from word of mouth advertising. I have never and would never intentionally do something that was against the tax laws for my clients. I would agree to take a test except what is someone like me going to do with the parts of the tax law that I do not practice such as estate taxes. I have never done one and will never do one. I choose not to take on this type of client. so I suggest that if you are going to test and license people like myself that you give us an option on whether we want to do estate taxes or not.

Sincerely,
Marge Powell

From: Tom Haifley
Sent: Thursday, July 30, 2009
Subject: Tax Preparer Registration

Sirs:

I am writing to express my views regarding Tax Preparer Registration. As an EA (#7795) I took the time and spent the money to separate myself from the mass of non-licensed, uneducated, and uninformed Tax Preparers. That said, I live in California where all Tax Preparers are required to register with the State of California (CTEC) unless they are "Admitted to Practice in front of the IRS". The problem with this protocol is that there's no motivation for the State to register CPA's or EA's, nor is there an incentive for CPA's or EA's to register with the State. This causes headaches and confusion for the Public At Large. No centralized database, no centralized specification of certification/competency levels. I believe strongly that all Tax Preparers must show some level of proficiency and continuing competency especially in light of today's VERY Complex Tax Situations. Too many unlicensed/unregistered preparers depend wholly on their Software to guide them through Tax Compliance (why not just use Turbo-Tax?). NOT GOOD. I am not a proponent of "Grandfathering" in unlicensed Tax Preparers. I feel a minimum level of competency needs to be assured through a Class and Testing mechanism to bring everyone to a minimum level and then on-going CE including Ethics to insure educational competency. Granted this will not stop many of the sins being committed today but it will insure that these people are knowledgeable in the consequences of their actions, and in the minimum levels of Tax Compliance.

Thank you for your time and consideration.

Regards;
Tom Haifley, Enrolled Agent
Banner Mountain Income Tax Services

From: docbartlet
Sent: Thursday, July 30, 2009
Subject: preparer regulations

I have read about your goals to improve taxpayer compliance and to ensure uniform and high ethical standards among tax preparers. I find these to be worthy goals, but feel that you must be careful not to send more preparers to the non-signing sector. A few items of concern are:
Requiring preparers to become enrolled agents, or a similar tested designation. Since 1975 I have looked into taking the EA exam several times. My practice covers individual returns and a few family member small corporate returns. I do not prepare partnerships, non-profit, or fiduciary returns. In order to become an enrolled agent, I would have to pass an exam in these areas. That is equivalent to requiring a day care provider to know how to perform open heart surgery.
Requiring preparers to e-file all tax returns will put an undue burden on the elderly and low to moderate income citizens. I handle many of these types of clients, even though they can get their return completed free through the VITA Program and other areas. They continue to come to me because they know I attend continuing education training and they have come to trust my work. They also come to me because I charge many seniors and low income individuals only a \$20 or \$30 fee, and sometimes nothing. If I am required to purchase a computer and software to prepare their returns, they can expect my fee to double for them. This would be a disservice to these individuals that can not afford an increase. Over the years I have found that many preparers purchase the latest TurboTax software, but have no idea about the latest regulations. They miss deductions and have no idea what to take for auto depreciation. Many of us small preparers belong to organizations such as the National Association of Tax Preparers (NSTP) and attend their training, as well as other seminars. Requiring continuing education is a good thing.
Requiring tax preparer registration is already being done through the preparers tax identification number (PTIN). I hope these thoughts are beneficial to your review process. I look forward to receiving updates on your views.

Tom Bartlett

From: DIANNE OLSON
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

I am all for registering tax preparers. The problem is that there are many "kitchen type" preparers who never take a course, never sign a return, and never take responsibility for their tax preparation. They charge for the tax return. How are you going to find these people? I am an enrolled agent, take 30+ hours CPE a year, belong to NAEA and NATP and my competition are the above mentioned type people. When they don't sign the return, how can you catch them? You can't. Period. My vote is yes on tax preparer registration. But my statement is that there will still be those in paragraph 1.

Thank You
Dianne Olson, E.A.

From: Nancy Howard
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

The NATP paper and position is well thought out. I think registration and mandatory continuing ed each year is important. I think exempting from a test if we are in an organization, getting continuing ed each year, and have had a good record with IRS is a good idea. I am too old (72) for tests. Do not need added stress in my life. Tests do not assure proper preparation. Free enterprise is still the American Way. I am not in favor of tests at all, but if you must, please make grandfather rules or exempt test regulations.

Thank you.

From: Marvin
Sent: Thursday, July 30, 2009
Subject: "Notice 2009-60"

Good afternoon-

It is my pleasure to comment on Notice 2009-60. I prepared my first income tax return in 1960. I have been

a professional tax preparer for forty eight years. I have seen many changes in my time. I prepared tax returns by hand as long as I could because I felt it gave me a better understanding than using a computer. Finally the complexity made hand preparation impossible. I have no professional designations. I belong to four professional tax organizations whose publications I read regularly. In addition, I subscribe to about eight tax and financial magazines. I get emails daily from at least fifteen sources to keep me abreast of the latest tax laws and regulations. I attend professional education classes each year. I subscribe to a tax research service. I subscribe to a service which provides me with over 10,000 tax forms from all jurisdictions to use in instances where my main tax service does not cover. I have clients in about twenty five states. I prepare individual, trust, gift, estate, corporation, and partnership tax returns. I have a robust practice. I pride myself on my loyalty to my clients and the ethics of my profession, in equal parts.

I have unfortunately seen less that professional work from some of my colleagues who are CPAs, enrolled agents, etc. I don't want to dwell on this but it is a fact. My office has the best computers and technology. My office is paper less, all documents are scanned. I electronically file 98% of all returns. I use E Services. I file my W-2 forms through the Social Security Administration. I use interactive flow charts for complex tax situations. I react very quickly evidenced by my PTIN-number 198 in the USA! So I ask, what would you want of me. Hopefully, I am your model tax preparer. I strongly believe that I am very important to the IRS in maintaining the integrity of our tax system by my adherence to rules and ethics. I want to make the system better but not be harmed by any new rules. The fact that I have no "credentials" will probably work against me. However, an examination of my qualifications and practices would indicate some desirable characteristics of model tax preparers. I have read and agree with the NATP recommendations on regulation.

- Mandatory registration of all preparers.
- A unique identification number for each preparer
- Rigorous continuing education requirements-32 hours or more per year
- No initial testing
- Monitoring through the unique identification number
- Enforcement as required
- Fees as required

Respectfully
Marvin Nasses PLLC
Income Tax and Accounting

From: al urquides
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

dear commissioner. Realistically, the tax preparer often times invests large amounts of money in a college education, office rental, equipment purchases, employee training, tax software purchases, utilities for an office, etc, etc. etc. costs, costs, costs and all this without gratitude from the IRS for a job well done. To the contrary all one hears is that the preparer will be penalized if not doing a good job. Honest, professional, certified Tax preparers should be paid an incentive per tax return prepared correctly for helping collect this nation's taxes. Too many penalties and fines and not enough rewards for doing what is right. The state of Florida allows tax preparers to keep a percentage as reimbursement for their cost of collecting Florida state taxes. What incentive would an honest tax preparer have to help the US government collect taxes??? to the contrary there is too much possible liability versus the reward offered. Individuals are better off preparing their taxes at home away from tax preparer review since they would not be penalized for preparing them at home. just a thought from a veteran tax preparer who is trying his Christian best to collect what is due the government and not getting the benefit or recognition for the work.

alex u.

From: BettyParn
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

I believe that all tax preparers should have the same education requirements that enrolled agents now have.

From:
Sent: Thursday, July 30, 2009
Subject: Comments on Preparer license

I feel that all tax preparers should be licensed and have an annual educational requirement. However, generally the preparers that take the time to get the license and sign the returns are not the preparers that cause the problems. More effort needs to be taken to get the preparers that are not doing taxes in accordance with current law. Go after the bad guys.

Thanks.
Mark E. Larson, EA.

From: Jeff Roberts
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

I'll be brief, which may make it seem incomplete, but you'll have too many of these to read. No test will ensure competence. I know any number of CPA's and attorneys who know nothing about taxes. I know any number of unenrolled, unlicensed, uncertified accountants who are. So testing is really not the solution. If compliance is the issue, and I believe that it probably is, I suggest simply requiring ALL prepares come under Cir. 230. That gives IRS all the authority that it needs over practitioners. But too many have already passed tests who should not be doing tax work. Another test won't change that, but will give the public the false assurance that a level of competence has been achieved when it has not. That leads to even more trouble.

Jeff Roberts
J Roberts Accounting Inc.

From: Mary Ann Dzubinski
Sent: Thursday, July 30, 2009

I feel that rather than having every preparer take an exam, the preparer should belong to a professional organization of its peers and take continuing education every year in order to maintain current and extensive knowledge of the changes. A test taken 10 years ago with no continuing education does not ensure the preparer is filing correct returns. I think requiring continuing education is the method to follow.

Mary Ann Dzubinski, President
JMA Resources Corporation
Accounting and Income Tax Services

From: Tim Legois, CPA
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

Dear IRS,
In response to Notice 2009-60 I believe all paid preparers should be certified and registered with the IRS. This will help ensure the preparers take their professional seriously.

Thanks.

From: Elaine Leonard
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

I would like to comment on the proposal to boost preparer standards. I have been a volunteer tax preparer and reviewer with AccountAbility Minnesota, a VITA organization, for 19 years. We already have to receive annual training and take a VITA test each year. Hopefully, the IRS will not require additional training or tests.

For paid preparers, an exam similar to the one that VITA volunteers need to take each year should be required, depending upon the type(s) of tax returns prepared. If someone is a CPA, Enrolled Agent, or an attorney, they should be exempt since these individuals already are required to meet continuing education requirements in order to maintain their licenses/certifications. Third party software also needs to be regulated to ensure that it meets IRS standards. For example, our organization uses Tax Wise software, which is provided by the IRS. This

software gets better and better each year. In the past I have used Turbo Tax and have found it to be unacceptable for most experienced preparers. Thus, by requiring third party software vendors to meet IRS standards, taxpayers will find these products to be more efficient and effective to prepare their taxes.

From: Judy Stepp
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

Areas IRS is particularly interested in receiving input on include the following:
... What types of individuals, entities, and professionals currently work as tax return preparers? How are their services currently monitored or regulated by professional organizations or the government, and how could this monitoring and regulation be improved? I have seen individuals prepare returns in their home, in street-corner, temporary facilities, and in a year-round office. People from all walks of life, of various ethnic background, foreign born with limited command of the English language, all education levels. Currently, anyone who desires to do so can prepare tax returns for the public. Many individuals will purchase a tax preparation software, and set up shop preparing tax returns, even though they themselves have little or no knowledge or training in tax preparation, the IRC, or regulations. They expect the software to do everything for them. I feel that anyone preparing taxes for others should have a basic level of tax training, education providing some certification. If not a CPA, EA or attorney, there should be some form of license required by the IRS to prepare or process tax returns. Part of obtaining the license would include some general tax questions, some questions from Circular 230, and a background check. Anyone convicted of fraud, theft, or other such crimes against the public should not be allowed a license. A check of previous tax returns should also be done for all. Charge a fee for the license and test, renew every three years, similar to the EA certification. Could call it "Licensed Tax Preparer", or LTP.

Thank you,
Judy Stepp, EA
Drake Software

From: Connie.Sharpe
Sent: Thursday, July 30, 2009
Subject: Notice 2009-60

Current measures for registering preparers of electrically filed tax returns are effectively in place. The processes for collecting data on IRS *e-file*ers provide sufficient information for transferal to a user-friendly registry system for taxpayers reference. Such registries are in place by several other Federal and state agencies and can be provided in a more cost effective manner than a licensure program. Detroit, Michigan has maintained a builders' registry since the early 1970's as a means of informing residents of active contractors. Such a list on the IRS website has been initiated in relation to Health Savings Account providers. A Paid Tax Preparer Registry linked to www.irs.gov could report certifications (EA, CPA), locations, and any complaints or judgments involving paid preparers. The Tax Code stipulates that the taxpayer personally is responsible for the return he or she signs. This language in itself protects all paid tax preparers, whether they are attorneys or Certified Public Accountants. I personally can attest that I have never-repeat never-had a CPA take responsibility for examined or audited returns and that I have had to deal with these issues on my own because professional licensing does not override the IRS CODE and transfer responsibility from the taxpayer to the CPA. Personal responsibility is the cornerstone to an educated society. Access to information is one of our Constitutional rights. Therefore, the IRS is more responsible for informing taxpayers of malpractices than in pursuing the third-party, paid preparer. Shackling the IRS with yet one more enforcement item such as licensures would be expensive and internally divisive. Requiring paid tax preparer licensing procedures would distract IRS efforts from individual tax evasion enforcement and from persuading taxpayers to act responsibly and accountably in their personal and financial affairs. Requiring the IRS to oversee the licensing of paid tax preparers would further tarnish the brand which the IRS, through its citizen-based Taxpayer Advocacy Panel, is attempting to shore up through a variety of informational outreach efforts.

Thank you for providing these informational panels and allowing for individual input.
Connie Sharpe
An (Independent) Area 2 Taxpayer Advocacy Panelist

From: Arthur Michell
Sent: Thursday, July 30, 2009
Subject: Where there is smoke, there is usually fire?

I am retired with a small individual tax prep business under a PTIN. Background: Law enforcement, MA, BS, Series Seven broker, SEC Registered Investment Advisor, Insurance Broker, P&C Insurance Broker .. and never sUbject to either allegations of misconduct or misconduct investigations. However, I am highly critical of the current systems because they give every appearance of being influenced both politically and economically specifically cash contributions and the prospect of subsequent employment opportunities. Suggestion: regarding the ordinary/individual tax return review: The IRS has made extraordinary advances in tracking and enforcement using computer audits. I would applaud additional efforts in that area, targetting all (CPA, Lawyers, EA and the non regulated individual tax preparer) The efficiency and enforcement focus is evident and *I have no doubt that identifiable patterns will evolve and promote further investigation.* Better yet, establish a simple tax code .

good luck
Arthur Michell

Sent: Thursday, July 30, 2009

Internal Revenue Service
Washington DC
RE: Licensing of Tax preparers

Dear Sir,

My name is Andrew Stadler, an Enrolled Agent from Terre Haute, Indiana. I have four offices with 30 employees and prepare over 7000 tax returns annually. I have been preparing tax returns for over twenty years. I am in favor of licensing Tax preparers - this is long overdue. It is incomprehensible that in our country where nearly every business must have some qualifying credentials that we do not have any licensing requirement. This non-licensing breed's fraud and corruption and has cost the US government millions of dollars. I would like for you to consider a few of my thoughts about the licensing of tax professionals.

- 1) All tax preparers should have a licensing requirement. I believe there should be different licensing options other than CPA and EA. I am proposing developing a Tax Professional licensing series for different levels of tax preparation. Developing series of licenses such as Apprentice, Craftsman and Statesman. Apprentice could only work under a Statesman or CPA or EA, and they must pass a simple test such as filing status, dependents, EIC and Ethics. Craftsman would be more involved and must pass all the parts of Apprentice along with Schedule A, 8, C, D, E, F, and J. Statesman would have to pass all the parts of Apprentice and Craftsman along with Corporate and Partnership. If anyone is caught completing any tax return they are not licensed for, they are fined automatically \$1000.00 per tax return, and ERO status is terminated until situation is corrected. If a person is caught completing tax returns without any license, they are fined \$5000.00 per tax return. Family member helping other family members completing tax returns would be acceptable allowance up to 10 tax returns.
- 2) Tax laws frequently change. Therefore, continuing education of at least 25 hours per year should be required.
- 3) A public awareness campaign to ensure all paid prepared returns are completed by a licensed tax preparer.
- 4) Whistle-blower program should be initiated for general taxing public, and a significant reward should be offered for turning in persons who are paid tax preparers and not having any licenses credentials.
- 5) VITA is a good program, but many volunteers are not properly trained. VITA should have licensing requirement of Apprentice licenses and should only prepare tax returns that fall within that scope.
- 6) Licensing Fee -- most all professions have a licensing fee. The money collected from the fees should be sufficient to pay for the management cost of licensing and policing the program. I would recommend annual fees of \$300 for Apprentice, \$450.00 for Craftsman and \$600.00 for Statesman.
- 7) In January 2009, the IRS instituted strict requirements for paid tax professionals whose clients are claiming the Earned Income Tax Credit. The requirements include retaining copies of Social Security cards, Photo ID, and signed statements. The IRS has created a double standard by allowing individual who file their own tax returns not to follow these same strict guidelines. The IRS should require all individuals who preparer their own taxes claiming EIC to submit forms such as birth certificates, SSN cards, School records and other items that show children live with the person claiming the EIC.

Your licensing and enforcement policy will result in a great service to the American public. Regulating this industry has been long overdue.

Thank you for your consideration,
Andrew Stadler, EA

An Enrolled Agent (EA) is a federally-authorized tax practitioner who has technical expertise in the field of taxation and who is empowered by the U.S. Department of the Treasury to represent

taxpayers before all administrative levels of the Internal Revenue Service for audits, collections, and appeals.

From: William Gummo
Sent: Friday, July 31, 2009
Subject: Comments on return preparer registration

I have a comment that I've been making for quite awhile now:

The honeymoon with the free-file system is over and until the rule of registration of preparers who file more than five (5) returns (EFIN) is enforced any regulation of preparers is a moot point. I'm an EA but if I use the free-file system to file my clients individual returns I need no CPE, do not have to sign returns, nor purchase commercial software. If any of the returns are questioned all I have to say is "I've never met the Taxpayer". One method of correcting this is to use each individual computer's unique internet address to limit the number of returns filed from that computer to the free-file system, an separate code could be issued to the VITA program participants and public libraries. Although there are programs that will mask the computers unique internet address there are other programs which will detect this and in any case there will be a time lapse that will enable the IRS to come up with a better detection program. Just one example of what I am talking about: I was in State College, PA summer of 2008 and stopped in a Tavern for supper. During a conversation with the waitress the subject of tax preparation came up and she mentioned that her second job was preparing taxes and she was thinking about hiring help for the upcoming tax season. I inquired as to where she was acquiring her CPE, after I explained what I was talking about she stated that she didn't do any fancy tax returns so she didn't need CPE. I further inquired what software she was using because most commercial software vendors require a EFIN and strongly encourage obtaining the EA credential, she then went on to say that she uses the free-file system because she only charges \$20 to do a return. According to the lady she offers direct deposit, an impressive array of bank products and when her clients have a problem she tells them to see some one else as she herself does not deal directly with the IRS. And here's the kicker she estimates that her client base is over 750 clients. Is she breaking the law? She sure is. But try to catch her!

Bill

From: Jesus Serna
Sent: Friday, July 31, 2009
To: Notice Comments
Subject: IRS Seeks Your Input on Preparer Registration

To Whom It May Concern:

I find that those tax preparers in our local area that are preparing returns incorrectly or otherwise committing fraudulent activities stems from a lack of proper training; therefore all tax preparers should be registered and required to attend live CPE seminars where not only a review of tax laws are considered but required time is spent on Ethical Behavior plus and understanding of penalties that are imposed for improper reporting of individual income tax returns. Registered tax preparers would be assigned a enrollment number whereby tracking of CPE credits would be automatically sent to IRS database computers that such compliance has been met. I believe a live seminar will force individuals to sit and take in such information rather than self-study whereby an individual can skim over the material and answer simple questions and still not receive the impact of requirements and regulations. Notice could be issued by the IRS to the public that only certified tax preparers should be used in compliance with tax law unless true self preparation is an individuals choice. Registered certified tax preparers can display such information by sticker on their entry door and/or their front office such as is done by proper licensing of a business establishment. Since some tax returns are prepared with the used of store bought software that allows prepares to simply state "self-prepared" on the tax returns without signature of the preparer, these tax returns can either be governed by issuance by the software company of an identifying enrollment number so that any fraudulent activity can be traced back to whomever purchased said software. Such individuals are publicly practicing a business activity that is neither being screened by the Internal Revenue Service or the State taxing agencies. It has been my knowledge that such individuals preparing tax returns in this fashion not only can override the limited amount of returns per store bought software but also are not keeping proper records nor properly reporting income to the IRS or the State Taxation agencies. Individuals that have later been referred to me and walk in with an IRS letter in hand have no copies of their returns nor can they now locate the person that prepared their tax return. They tell me horror stories of how such individuals duped them out of part of their refunds through exorbitant fees. There is little that can be done for these individual except to acknowledge their dilemma and inform them that they now have to make arrangement to pay the tax plus all penalties and interest. I for one am completely in agreement that all tax preparers should be certified required to take in live continuing education and monitored by the Internal Revenue Service. I have spent a lot of time and effort to establish my business to have others get away with unscrupulous practices. The IRS comes up with all sorts of regulations and penalties that scare the crap out of legitimate tax preparers yet such regulations fall on deaf ears of those that should be made aware of such laws but these individuals are not reached because they are never present to take in this information. These individuals hide or move around and cannot be regulated because neither the IRS nor their customers can later locate them. IRS laws and regulations can only be complied tax preparers if enforced; they can only be enforced if individuals are made to comply. Registered and certified tax preparers that do not comply should be suspended and penalties enforced. Too much talk and not enough action as with most government projects.

Sincerely,
Jesus Serna
Zia Tax Service

From: Richard kruth
Sent: Friday, July 31, 2009
Cc: FLP-kruthrich; 'Hockenberry, Cindy'
Subject: preparer registration

CCPA:LPD:PR (Notice 2009-60)
Room 5203
Internal Revenue Service
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Dear IRS,

It has come to my attention, over the past several years of tax preparation that there are many tax preparation services that effectively boast about getting bigger refunds for their clients, and those who do not have a clear understanding of the tax laws. I believe that the IRS should require all tax preparers to have membership in organizations such as the NATP and offer a cash incentive for the members to report tax services that aren't complying with the tax codes or require retraining. Give a portion of the incentive to the organization and require that organization to have a summary review of the tax service. The IRS probably spends millions of dollars policing tax services. WHY NOT MAKE MEMBERS OF TAX ORGANIZATIONS become YOUR EXTENDED POLICE FORCE? Let the legitimate tax services be your watchdog for the bad or ignorant tax services. Also, earlier this year I sent in a whistleblower form to the IRS turning in the IRS for not taking the proper steps to avoid First-Time Homebuyer Credit Fraud. Part of my statement criticized the IRS for allowing ITIN users to receive the credit. Illegals cannot file a tax return with an ITIN and get EIC...why should they receive the First time homebuyer credit? They are only considered resident aliens for tax filing purposes...which is one of the criteria for this credit. I have been a participant in the IRS Certifying Acceptance Program to prepare W-7 forms to get Illegals to file tax returns and initially was told by a head of the ITIN program that ITIN filers were not eligible for this credit. Shortly after I submitted my whistle blower form ...she changed her mind and responded that Congress authorized the rules for the First time homebuyer credit; and as long as the ITIN filer was considered a resident alien for tax purposes...they could get the credit. Have you ever prepared a tax return and seen how easy it is to claim a First Time Homebuyer Credit? Two or three entries and bingo...you get the \$8,000. Sorry, if I got off the subject, but I believe that this First Time Home Buyer Fraud alert news release (IR-2009-69, July 29, 2009) that the IRS announced is just the tip of the iceberg. Before you turn around ...the present system for allowing the credit will cost the taxpayers BILLIONS of dollars!!!! I offered my suggestions to solve this problem and no-one listened. The whistle blower form I sent in was answered with a standard reply...referring me to the IRS codes.
OK... I'll get off my soap box.

Thank you for listening
Rich Kruth
FLP Tax Service

From: Edward C. Bender
Sent: Friday, July 31, 2009
Subject: Notice 2009-60

I would like to include my comments concerning preparer oversight to the discussion. Having been a tax preparer for 33 years, and all of them as an unenrolled preparer, I can see things in a different perspective than most. I've worked for CPA's, and I can tell you that many of them are not as prepared as they could be when it comes to individual income tax preparation. When I taught for the VITA program, I tried to make sure that the preparers I trained knew how to go step by step through the lines of the 1040, what pitfalls they might find, and when the return would be too complicated for the program to handle. I found a lot of them very appreciative of the additional time I spent on the form and schedules. Several of them are preparers now, themselves. I am finishing my exams for the Enrolled Agent, so the regulations for unenrolled return preparers will soon not apply to me, but I wanted to make sure that these provisions include the following:

- Testing, and CPE's. For an example of how this could be implemented, look at the requirements for the EMT, EMT-I, and EMT-P (I am also an EMT-P). Each level has different requirements depending on the level of service provided. If someone wants to prepare basic returns, individual and small business (Schedules C, E, and F), this would be similar to an EMT certification. Preparing individual, small business, and partnership returns would be EMT-I, and all ranges of returns would be EMT-P. (I would still restrict preparation of returns for non-profit organizations without a separate test.) Additionally, those who successfully pass the VITA program can take the test for the Basic Preparer certification if they so choose.

- State regulations. While I was attending the Nationwide Tax Summit in Las Vegas, I was struck by the efficiency of the Oregon regulations for tax preparers. I would like to see similar regulations nationwide. I have not seen Maryland's regulations; I can only hope they are similar to Oregon's. Preparers working for a firm would have the firm (if CPA or EA) submit to the regulatory agency a listing of any deficiencies they may have noted and the steps taken to correct them. Each state should keep a database of preparers which would act as both a means to regulate and a means to refer those who may inquire. Preparers working alone must submit similar reports, but also include any correspondence with other tax agencies (IRS, other states) indicative of any possible errors in prepared returns (I would also include sales and payroll tax returns here, but that is a segment best left to other forums) and the steps taken to correct them.

- Encouragement to become an Enrolled Agent or CPA. I think that this could be enhanced by incentives or assistance in becoming either of these designations. In fact, if the preparer has been working in this field for a long period of time, has "interned" under a CPA or EA, and has demonstrated proficiency in tax preparation, they should be allowed to become an EA without testing.

- Improved training and support tools. The tax code is long and complex, as we all know all too well. While there are several good research tools available to ensure the correct position is taken on a return, many of these are out of the reach of the basic preparer due to equipment or financial limitations. With the database generated by the state regulatory agency, the various tax preparers could be offered special tools to meet the needs of their practice. This would, of necessity, have to include more powers under Form 2848 approaching those of an EA or CPA. We can't require them to test and become certified and regulated if we continue to restrict their ability to represent their clients. Regular testing. This is a must. Changes in the code require all of us to get up to speed on what it means for our current clients, and to effectively market ourselves to new ones. I believe that testing here, as above, is the responsibility of both the IRS and the individual states. States cannot effectively represent to tax preparers the requirements of the IRS, nor can the IRS adequately inform the preparers about the state regulations. So it would have to be a joint effort. The VITA program, again, is a good place to start. It can also be presented in a community college or a separate technology school. Preparer professional organizations. NATP membership should be a must, either paid for by the individual if sole proprietorship or a firm if working for one. The preparer can then avail themselves of the tools this organization has to offer, and can choose to join other professional organizations. Preparers already regulated. I do not believe any regulations are needed here. There is adequate regulation for these people already. These are

just some of the ideas I have developed concerning the subject. There are others, but these are the most important. I would be happy to participate in discussions concerning these as well as thoughts from others should there be interest in that direction.

Edward C. Bender

Senior Tax Consultant

From: Jason Jordan
Sent: Friday, July 31, 2009
Subject: Notice 2009-60 - Paid Preparer Guidelines

1} How can we increase taxpayer compliance...

We can increase taxpayer compliance by not convoluting the tax law and by providing training to preparers nationwide. Take any fees that may be incorporated upon prepares and utilized towards training and testing efforts, if necessary.

2} How to ensure that preparers maintain both uniform and ethical standards....

I believe there is already a hotline to report unethical practices. I believe the IRS and preparer community already do a good job of policing their own via the numerous audits and reviews that are done each year. The bad apples will eventually come to light. As for testing preparers, I do not support this agenda. I will admit that I don't have an advanced certification, but do have a college degree in Accounting. I have also been in the profession of Accounting for eight years. I don't believe that someone who passed a test ten years ago or even one year ago is so much more qualified than I am. The continuing education requirement makes all the sense in the world. I support it 100%. Those with credentials will obviously argue the other side, but they also have the ability to audit businesses or deal directly with the IRS in any situation. Those are the benefits of credentials; not the right to prevent those who already prepare returns, and have the education to do so, from earning a living. I will conform to whatever guideline the IRS puts out/ but please remember the impact that these issues will have on small business owners like myself.

Thank you for your time...
Jason M. Jordan, Operator
Padgett Business Services

Sent: July 31, 2009
Subject: Notice 2009-60 Public Comments

To whom it may concern,

Thank you for the open request for comments on proposals to ensure performance standards for all tax preparers. As President of the nation's fastest growing continuing education company for tax professionals, I feel uniquely qualified to comment on the proposal. Our 50-state nationwide audience is 100% composed of small firms of professionals of 10 or less in an office. We speak with CPAs, Attorneys, EAs, and all other tax preparers on a regular basis and we are aware of the intense need for national licensing. In speaking to over 100,000 tax professionals in the last 15 years I know a couple of things for certain; First, that the initials after your name mean that you passed a tough test once, but that it doesn't mean you currently have the knowledge needed to comply with the rules; Second, that mandatory testing and annual continuing education is the only way to ensure reasonably current knowledge; Third, that the national CPA firms have no clue what the great majority of tax professionals are doing and whose advice should be strongly avoided in any final actions; Fourth, that the national franchises tend to have the lowest knowledge levels, even though their marketing leads you to believe otherwise; and Fifth, everyone does and will make mistakes and to focus on one individual in marketing or rule making is a bad decision. So what is it that I suggest? We need a national, minimum knowledge, entry level test in three areas, supported with annual continuing education requirements. I suggest that the minimum licensing test should be required in these three independent areas: 1. Individual tax preparation, 2. Business tax preparation (Form 1120f/1120S & 1065), and 3. Other tax preparation, including payroll, gift, estate, pension, etc. The cost of the program should be borne by the individuals preparing the return for pay and should have an entry fee high enough to support the minimum knowledge level required and eliminate charlatans. Perhaps a \$500 licensing fee per year, plus \$1,000 for initial certification and testing would be reasonable. The ongoing fee would then be used to police and administer the program. What about grandfathering in various professional licensees? *The simple answer is no one should be grandfathered and pre-approved*, everyone should pass the licensing test. Current knowledge is mandatory, not old test results from 10, 20 or 30 years ago. I am a CPA and CFP and I am certainly willing to take another test, as should any so-called tax professional, if they think they have the smarts to grandfather in. then prove it. As I stated at the beginning the letters after your name mean you passed a tough test once, but are certainly not indicative of current knowledge levels. Finally, a much stronger enforcement presence should be made. I am not talking about enforcement when errors are made, I am talking enforcement for criminal actions, failure to comply with continuing education and licensing rules, and failure to comply with IRS rules and regulations. In order to establish these rules, you must have an advisory board to bring the preparer issues to the table as well, and I volunteer to be on such a board if established. For whatever it is worth, this is my two cents. Thanks for having the presence of mind to ask for public comment.

Sincerely,
Bob Jennings CPA, CFP
President

From: GBL Tax
Sent: Friday, July 31, 2009
Subject: Notice 2009-60

As an Enrolled Agent and tax professional, I see a great deal of returns that have been prepared by unqualified preparers that contain a lot of major errors. My clients look at me in dismay when I tell them about corrections that need to be made and changes in amounts due. I had one client ask me "how can someone do tax returns and not know anything about what they are doing?" I agree. If preparers don't want to become an Enrolled Agent, they should at least be required to complete some kind of licensing that will hold them accountable for the returns they prepare with recourse by the OPR for bad returns. Continuing education should be a requirement for ALL preparers, CPAs, Enrolled Agents, Tax Attorneys, and unenrolled preparers; laws and rules change too frequently to not be continually updated on those changes.

Becky J. Leggett, EA
GBL TAX SERVICE, LLC

Sent: Friday, July 31, 2009
Subject: Notice 2009-60

As a tax preparer of 25 years I cannot imagine being able to do taxes properly without continually keeping up to date with tax changes. I see preparers all the time who believe a 2-3 hour update or just reading the changes the instruction manual is enough to know all the rules and regulations. Not true!! Licensing of tax preparers continuing education. And required by EAs is enough. at least 24 hours. If *you* education requirement then is not the important issue. The important issue is requiring 4 or 8 hours is not enough. I do not think the 24 hours a year At a minimum though tax preparers should be required to take need to license preparers to determine who is meeting the that is the thing to do. The problem is see is how are *you* going to police it? How many tax preparers will go underground and simply stop signing the returns, indicating that the return was self prepared? That is an issue now and it will only compound with licensing. The tax law gets more and more complicated all the time. Like any other profession an individual should be required to keep themselves up to date.

Gerri A Harrison CFP EA

From: Leslie Oakes
Sent: Friday, July 31, 2009
Subject: Notice 2009-60

To Whom It May Concern:

I am writing regarding the current discussion on setting standards for income tax preparers. I am an independent preparer in a very rural area of southern Virginia. This is an area where most of the industry has traditionally been in textiles and furniture, and income levels are fairly low. In years past, education has not always been a priority; however, that trend is changing some, thankfully. Many residents of this area do not have internet access except through cable TV, which is cost prohibitive for most people. My partners and I have been preparing taxes for the folks in this community and surrounding communities for many years. While we are in the business to earn a living and support our own families, we are also in this business to help people. The "big name" preparers and CPA's alike charge fees that are absolutely unreasonable for folks living in this area with the income levels being what they are. Because we do desire to help people meet their obligation with the IRS without breaking their budgets, we charge about 1/3 to 1/2 of what others charge. We are able to do this because we do not invest heavily in advertising and licensing like a large company or a CPA would do. We often allow people flexible payment options or even prepare some returns for free if the client has some extreme circumstances, such as a house fire or a long term illness draining their resources.

When the telephone excise tax refunds were available a few years ago, we prepared returns free of charge to those folks who otherwise would not have had to file a return at all. We did the same thing in 2007 for seniors who needed to file simply to get their economic stimulus payment. We truly do have a conscience, here, and we truly do want to help people. There are, however, some preparers in this business who are fraudulently preparing returns and getting thousands of dollars in refunds for folks illegally. We are aware of this, and understand the need for some sort of oversight. My request is that-whatever you decide to do-that you keep in mind those of us who are not enrolled agents or CPA's but who are educated, honest preparers. The big names (ie, big money) groups like H & RBlock will most likely be able to find a way around whatever regulations you put in place. Independent preparers, like myself, do not have the financial resources to do so. If a testing program is implemented, which would be a reasonable step, then I would hope it would be set up so that those of us who only prepare individual and schedule C/schedule F-type returns could be licensed to continue to do so without having to demonstrate knowledge of corporate tax law. In a rural area like ours, there are very few people who would need to file anything other than a 1040 return. It would be appropriate, I feel, to allow preparers to decide which types of returns they wish to be licensed in.

Thank you for your time. We appreciate the opportunity to comment.

From: CENTERTAX
Sent: Friday, July 31, 2009
Subject: Notice 2009-60

I am an Enrolled Agent and I feel that some regulation of tax preparers is an absolute necessity. I see the product of unenrolled, uneducated and unethical tax preparers frequently. Because these people do no education, do not generally have overhead costs, and do not spend money on technology, they are generally cheaper than those of us who are ethical. Therefore they prey on the least knowledgeable taxpayers who are not sophisticated enough to realize that their returns are incorrect. Because IRS does not have enough auditors to monitor those taxpayers with modest incomes, these preparers continue year after year to prey on the unknowing public. I believe that all preparers should be required, at the least, to pass the individual income tax portion of the Enrolled Agent's examination, and also the ethics portion of the exam. Please protect the public - it is ridiculous that I can't cut someone's hair or fix their plumbing without a license but I could prepare tax returns with impunity.

Kathleen .J Miller

From: Charles Decker
Sent: Friday, July 31, 2009
Subject: Licensing preparers

I absolutely feel that ALL tax preparers should be licensed, and pass some type "test" to determine competency. In my practice over 35 years, I have seen some returns prepared by non-licensed preparers that were prepared totally incorrectly. I feel that licensing should also require annual CPE with a minimum of 8-16 hours.

Charles R Decker EA

From: Gary Ruchin
Sent: Friday, July 31, 2009
Subject: Comments on Tax Preparers

Sirs:

I am very much in favor of an across the board requirement. As an enrolled agent, CLU & ChFC and CFP I am required to maintain a certain number of CE classes to maintain the above mentioned credentials. In addition, each of the above credentials requires an Ethics section be fulfilled. In order for a tax preparer to maintain up-to-date knowledge, a CE requirement is a must. Included in a CE requirement should be an ethics requirement (as noted above). Cir. 230 would seem to be the basic tool that should be used. As an EA, I am bound by Cir. 230 requirements. Why not simply require all paid and non-paid preparers to be bound by Cir. 230. The rules, tools and regulations are already spelled out in Cir. 230 rather than creating an entirely different set of requirements. If one prepares Federal Income Taxes (and State taxes) make the adherence to Cir. 230 mandatory, then, all preparers would be required to adhere to all the rules and regulations. Why have two different sets of rules? I would prefer to see the industry leveled by all following the same rules. It would make the public more confident, help make the Internal Revenue Service more confident in the returns it gets and make the current non Cir. 230 preparer community just as liable as the EA and CPA community already are responsible in following Cir. 230.

Thank you,
Gary P. Ruchin, CLU®, ChFC®, CFP®, EA
Ruchin & Associates, LLC

From: Chris Miarecki
Sent: Friday, July 31, 2009
Subject: Comments Tax Preparers

I think that it is vital for the IRS to come up with reasonable regulations for Tax Prepares. I am an Enrolled Agent and it is sometimes very scary at seminars to hear how little some people who charge for tax preparation know about taxes. I realize none of us can be experts in all segments of the tax law but there needs to be requirements if someone is going to prepare taxes for a fee.

From: Rkiersoncpa
Sent: Friday, July 31, 2009
Subject: Tax Preparer Performance Standards

Currently, there is no regulation of uncredentialed tax preparers either at the federal or state (MD) level. Accordingly, there is no incentive for unlicensed preparers to acquire and maintain any level of knowledge or proficiency, and reduced incentive to prepare returns in accordance with ethical or legal standards. Frankly, being a CPA or EA is no guarantee of quality; but at least the public has some assurance that a credentialed preparer isn't totally ignorant. I see no reason why anyone should be allowed to prepare tax returns without obtaining at least an EA, unless it's done under the direct supervision of a licensed professional, in which case the return be signed by the professional.

*Richard B. Kierson, CPA
Kierson & Newman, P.A.*

From: McDulin, Michael
Sent: Friday, July 31, 2009
Subject: Tax prepares performance standards

I am a CPA and I do the 40 hours of continuing education each year and the ethics requirements of 3 hours every three years. I know tax preparers who do not fall into the group of CPA's, Attorneys, accountants and enrolled agents. I also know that they also get continuing education and even take their staff for continuing education. They have gained their skills from on the job training and have move up and on to having their own business. There is no substitute for experience. Book knowledge is good but until you jump in and actually do the work, there is nothing better the on the job training. There are a lot of successful people out there without college degrees. If any changes are made, I feel continuing education is an important one. Requiring continuing education would be a sound decision. Requiring a college degree is just a way to reduce the playing field and would not be so sound decision. There are just as many CPA's and Attorneys that fail to do a good job as there are those who are not. What tax preparation I have acquired over the last 33 years has mostly come as a result of word of mouth based on me doing a good job for the client. The continuing education requirement would help us maintain the knowledge to do a better job. The evolution of the internet also allows tax preparers to more easily search answers to the tax issues their clients present. Governmental intervention beyond enforcement of the laws is not needed. Anything beyond continuing education I would not be in favor of. Everyone need to keep up on the changing law. To require registration seems like a waste of time and governmental bureaucracy. Preparers have to sign their returns. You could make them get a personal identification number. Make all preparers have a PIN number and there is your tracking system. Then based on history, and the current laws, discipline the preparers that need disciplined. Do not make the preparers prove to you that they are qualified. To many times due to lack of the government to enforce the existing rules (example lack of staff), the answer seems to be to add more rules. If enforcement of the existing rules can not be done, new controlling rules are not the answer. Also anything decided for current tax preparers beyond continuing education and the PIN assignment, I feel should be grand fathered and not subject to new rules related to up and coming tax preparers.

This is my opinion and I thank you for the opportunity to present it.
G.Michael McDulin

From: rowekamp.cheri
Sent: Friday, July 31, 2009 8:46 AM
Notice 2009-60

Tax Preparer Compliance or Testing.

I have been a tax preparer for 19 years with an educational degree - BS in Health Education. I completed the H&R Block courses and trained with another preparer with 20 years of experience. I have attended the University of MN Tax Short course for 19 years and have sought out other seminars as needed based on the tax code changes. I subscribe to professional newsletters and NATP. I prepare individual tax returns. No farm, no commercial rental, no 1065's, no 1041 's so If I had to sit for an exam that included farm, full rental, partnership or estates/trusts, I would struggle to pass compliance. My clients are referred to higher level tax preparers if their needs change and they are always welcomed back when their situation returns to a basic return. I believe there is a need for preparers like myself who prepare basic returns with competence. My fees range from \$65-\$140 with an average of \$90. These same clients would be charged \$145-\$250 at H&R Block or a CPA/Accounting firm. They have a basic 1040 with a Schedule A and/or B. My fee also includes efile and all returns are filed electronically unless the client refuses. Please consider the average American tax payer. Are you prepared to handle paper returns again? I would be more than happy to take a compliance test if there is some way to section out the areas of tax preparation.

Cheryl Rowekamp

From: Robert Appel
Sent: Friday, July 31, 2009
Subject: "Notice 2009-60" Tax Gap

To Whom It May Concern: I am a tax preparer in Florida since 1995. My comment relates to an alarming situation relating to individuals filing their own 1040 from their home computer. I recognize that this may seem like "sour grapes" but I assure you that this is not my intent. I have had more than a few individuals ask me to prepare a tax return for them whereby the individual will qualify for the EITC because he/she has a W-2 with relatively low earnings and little if any federal withholdings. Upon questioning, the individuals acknowledge that their actual income is much higher but just not reported by the employer on the W-2. It's obvious that the individual cannot sustain himself or herself on such a small level of income (as per the W-2) ... hence, I refuse to process the 1040 since I know it to be false and they eventually admit as much. Instead, the individual goes home and files it himself or herself. In this way, there is no one to question the accuracy of the W-2. It seems to me that the "push" to allow individuals to file from a home computer certainly adds to the "tax gap" since there is no way to verify true earnings. I hope this note is of some value. Thank You.

From: Doug Cremers
Sent: Friday, July 31, 2009
Subject: Notice 2009-60

Dear Sir

I would think any kind of testing would be very unfair to older individuals who have been preparing tax returns for many, many years I would think education would be much more beneficial I have been preparing tax returns since 1975 and feel that I have represented my clients very well There may be times that I don't know the answer to some problem, but then I research it to get the correct solution. With testing I wouldn't be able to do this at testing time. Also I belong to a great organization called NATP so if any problems do arise I contact them to get the correct solution. I have a 4 year accounting degree but am not a CPA or an EA so maybe there could be some kind of grandfather clause in the new law to exempt individuals whom have been ethically preparing tax returns for many years whom also have some type of education. Besides my degree I also go to IRS sponsored tax seminars each and every year.

Thank you for the consideration
Sincerely
Douglas R Cremers

Sent: Friday, July 31, 2009 4:43 PM
Subject: Notice Comments 2009-60

I APPRECIATE THE IRS FOR TRYING TO INCREASES AWARENESS ON TAX PREPARER FRAUD AND OVERPRICING. I JUST HOPE THE LITTLE TAX SERVICE LIKE MINE ARE NOT PUT OUT OF BUSINESS? I ATTEND ALL IRS SEMINARS I CAN, MEMBER OF NATP, GET EVERY IRS E-ALERT AND ALWAYS IN CONTACT WITH OUR TAX LAISON NORA GUNN (WHO DOES AN OUTSTANDING JOB) I AM NOT A CPA OR ENROLLED AGENT BUT HOPE TO BE IN NEAR FUTURE? I RUN A CLEAN AND AFFORDABLE TAX PREPARATION/E-FILING BUSINESS. I WANT THE CAR LOT/OPEN ONE DAY CLOSED THE NEXT TO BE UNDER MORE SCRUTINY AS I SHOULD BE (IM AMAZED AT THE PRICES THEY CHARGE THESE PEOPLE? I DO NOT DO THE REFUND ANTICIPATION LOANS AS I THINK THIS IS VERY UNFAIR TO PEOPLE. THIS IS WHAT I THINK SHOULD BE STOPPED. E-FILING IS FAST ENOUGH. THANKS IRS

MARIAN HAMNER
HAMNER TAX

From: vincentlascara
Sent: Friday, July 31, 2009
Subject: 2009-60

Other than CPA's and ER's. Tax preparers should be registered and their reg.# be included on all tax returns they prepare for pay. To keep the reg# current a minimum Of 16 CPE hrs of continuing education must be attended each year and verified.

Vince

Sent: Friday, July 31, 2009
Subject: preparer regs

I think a good start would be required workshops similar to the one the University of Kentucky offers prior to every tax season. They have various locations throughout the state over a few weeks. By using a system already in place like that could also be more cost effective for you at least to get started. I also think that a gradual program would probably be met with less resistance.

Thank you for taking the time to read my e-mail
Eddie Monroe

Sent: Friday, July 31, 2009
Subject: Preparer's qualifications

Dear Sirs,

A lot of noise these days on tax preparer's having CPA licenses or EA or something else. I am here to tell you that none of these licenses mean that the tax returns, personal and business are prepared correctly. I have been in the business for 40 years and have seen returns prepared by CPA's and EA's who should be shot for impersonating an accountant/tax prepare. Yes I sat for the CPA exam years ago and except for the Auditing section would be a CPA now. Just because you pass a test does not mean your competent. I have seen returns by CPA's who depreciated land. I have seen returns by EA's who just made up numbers for the Schedule A contribution and several other types of expenses. They may have licenses and letters after their names but that in reality does not mean they are competent. Another problem I have is the IRS treats us unlicensed prepares like lepers. I think that they should have licenses for Personal Tax Returns, one for Corporate Tax Returns and a separate one for non-profits. I am not talking about the EA exam. Which is to long and to much at one time. Break it down into it's parts would be better and you could make people master of a subject instead of what the CPA exam does, Jack of all trades master of none.

Robert Taggard

Sent: Friday, July 31, 2009 Subject: Question

Why is there not a panel convened for practitioners to comment on IRS employee performance standards. It seems that there is a new CPE course entitled, " How not to return calls."

Sent: Friday, July 31, 2009
Subject: registration of tax preparers

definitely license income tax preparers and require continuing professional education each year.

Ed Walsh, CPA

From: John Scheck Uscheck
Sent: Friday, July 31, 2009 8:04 PM
Subject: Regulating Unenrolled Tax Preparers

I'm a professional registered tax preparer in the State of California. I completed a Federal and CA State Tax course and passed with a 98% accuracy. I prepared tax for H&R Block for 3 years and am now in business for myself. I taught the certified tax course to new tax preparers with a 100% pass rate. I also successfully passed the Special Enrolled Agent Part 1 AND Part 3. I did not take Part 2 of the exam as I have no intent in completing part 2 type returns. Change to the EA Requirements: I feel that a tax professional interested in preparing only individual returns should be given enrollment with the IRS to prepare only individual tax returns. Those individuals who pass Part 2 and 3 be given enrollment with the IRS to prepare business and other part 2 related returns. Those who complete all three will still have the ability to do any and all types of returns. Maybe the classification could be EA-1 for individual returns; EA-2 for Business, corporations, type 2 returns; and EA-3 for all returns. Why take all three parts and maintain proficiency with part 1 and 2 if you don't prepare those types of returns. Nationwide change to Unenrolled tax professional requirements: California and Oregon are the only two states that regulate professional tax preparers. Being familiar with California, I would suggest adopting a program patterned after California for registering tax preparers after completing the Basic Tax Course and additionally require yearly continuing education courses in order to stay current on the new tax laws and show proficiency before being allowed to be registered each year a person wants to prepare taxes. If one year registration is too demanding, then maybe once every three years as the IRS now requires of an EA.

John Scheck

From: Donna Wright
Sent: Friday, July 31, 2009
Subject: Requested Input on Return Preparers

This suggestion is not quite on point regarding the preparer standards but I know it would make my life easier and the taxpayers life less stressful when dealing with IRS. Several years ago the "Check the Box" feature was instituted as a quick way to allow IRS to confer with the preparer on a specific return. It hasn't worked out well. There is a short time span that the Check the Box works. Often (more than not) an issue doesn't arise from the IRS data base and notices are generated more than a year later. Instead of the preparer being able to make a quick call and settle the issue because the taxpayer gave permission to do so by "Checking the Box", we are informed the time has elapsed and a Power of Attorney must be filed. So instead of the quick 10 minute phone call to handle the issue - (assuming the on HOLD time is reasonable) ~I now have a whole administrative task and a wait for the POA to be signed by both parties and returned, then forwarded to IRS and a wait time of at least 48 hrs (recently it's taken me more than a week to get the POA recognized) before I can get back on the phone to handle the issue. The billable time has increased - that's true but so has the stress level for both the taxpayer and me. My suggestion is that once the "Check the Box" feature has been selected by the taxpayer it remain in effect for any issues regarding that particular form - until revoked by the taxpayer. Part of our professional standard should entail efficiency and the ability to resolve discrepancies quickly. I am and so is the IRS - to a degree in the "customer service" business. More taxpayers might take advantage of professionals if the invoice was kept as reasonable as possible.

Thank you for your attention.
Donna Wright, E.A.

From: Renata
Sent: Friday, July 31, 2009
Subject: suggestion

Making a suggestions that all CPA's (if not all, then the once that are registered but not certified) and attorneys should take the test EA's have to take.

Sincerely,
Renata Bliumaite, E.A.
President
QTA CONSULTANTS, LTD.

From: John Brancato Sr.
Sent: Friday, July 31, 2009
Subject: Tax preparer compliance

No matter what regulations you install there will still be the preparers that do not sign the returns.
What will you do to combat that situation?

From: Joseph B. Mansour, CFE, CPA, CEO, CFO
Sent: Friday, July 31, 2009
Subject: NOTICE 2009-60 Recommendations

I believe the tax preparers who are not CPAs, Enrolled Agents, or Attorneys, should meet the same standards as the currently licensed CPAs, Enrolled Agents and Attorneys. My recommendations are:

1. College Grad with Degree in Accounting;
2. Minimum of 2 years practice with an experienced Tax Professional currently licensed under Cir. 230;
3. Tax proficiency test for licensing with IRS;
4. Minimum CPE of 40 hours per year of which 30 hours are in tax;
5. Ethical Letters of recommendations from members currently licensed with IRS under Circ. 230.
6. License renewal every three years, but must have 120 hours of CPE of which 90 hours are in tax. I hope you consider the above requirements.

Thank You.

Joseph B. Mansour, CFE, CPA, CEO, CFO
MANSOUR CONSULTING CPA FIRM

Sent: Friday, July 31, 2009
Subject: prepare regulation

I have long been an advocate of registration.

There are too many would be preparers who (a) lie on the returns; (b) don't sign returns; (c) and then disappear. Preparers should be subject to major fines and IMPRISONMENT if they prepare a return for any fee or consideration and (a) do not sign the return (like many do and list as SELF PREPARED, when in fact the client admits paying a person to prepare the return; (b) fail to provide the clients with phone numbers and addressed as part of the return process.

Also, preparers should be required to have a minimum of 18 hours of CE each year, with this monitored in a data base at the IRS; there should be on line providers who actual provide tests to the preparers, and so many hours of classroom instruction. The IRS regulations are changing so rapidly that it is a disservice not to have preparers attend annual refreshers on all the changes each year, such as the NATP 1040 workshops.

Anne Marie Bober

From: Stein Accounting
Friday, July 31, 2009
Subject: Preparer Registration

I have prepared tax returns for 40 years. I first worked for the NYS Department of Taxation and Finance for 4 years. I worked for 28 years in industry and since I did not work in the Corporate tax department, I started to do personal returns part time. I retired from industry 12 years ago but have continued to do part time accounting and tax preparation. In NYS you cannot become a CPA without working for a CPA for 2 years. I have a bachelors degree in Accounting but I am not a CPA. When I left industry, I signed up to take the EA test but at that time it was given in Syracuse and Buffalo for 2 days. I live in Rochester and did not drive to Syracuse or Buffalo. I do not see a big advantage to being an EA. I would always want the client with me during an Audit. I have always attended continuing education courses. I am sure I earn the same credits as a NYS EA. Maybe everyone should have to take the EA test. An EA would have to pass at a certain score, a "qualified" tax preparer maybe would pass at a lower score. Everyone should have to earn the same continuing education credits. Everyone would have to register as a tax preparer.

From: James Berardi
Sent: Friday, July 31, 2009
Subject: tax prep

WE BELIEVE THAT UNLESS ONE IS LICENSED UNDER CIR 230 THEN A
PREAMBLE EXAMINATION ALONG WITH ON GOING CaNT ED IS MUCH
NEEDED!! THERE ARE SO CALLED TAX PREP PEOPLE THAT SHOULD NOT BE
PREPARING A SHOPPING LIST MUCH LESS A FEDERAL OR STATE TAX
RETURN!!

J CHRISTENBERRY EA.MST